



Department of Justice

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Southern District of Indiana

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RICHMOND, INDIANA MORTGAGE BROKER SENTENCED TO 51 MONTHS IN PRISON FOR FRAUD AND OBSTRUCTING JUSTICE

PRESS RELEASE

INDIANAPOLIS - Kathy Puckett, 47, Richmond, Ind., was sentenced today to 51 months upon her guilty plea to mail fraud and obstructing justice announced Joseph H. Hogsett, U.S. Attorney, Southern District of Indiana. This followed an investigation by the Richmond Police Department, Indiana Secretary of State Todd Rokita's Prosecution Assistance Unit, and the Federal Bureau of Investigation, Muncie Office.

Kathy Puckett was a co-owner of Richmond Mortgage and served as its sole mortgage originator. Puckett's job was to prepare loan documents including loan applications and other documents supporting buyers' income and ability to pay. Between March 2006 and February 2008, Puckett submitted false information to the lenders including inflated bank account balances, false verifications of employment, false verifications of rent, misrepresenting one borrower's name to reflect a better credit score, and false gift letters. These actions resulted in fraudulent loans exceeding \$200,000. In addition to her mortgage broker fee, Puckett received a yield spread premium fee that was not disclosed to the borrower which represented a fee for a higher interest loan given to the borrower. During the investigation of her mortgage fraud activities, in January 2008, Puckett directed an acquaintance to remove documents from files that were to be turned over to the FBI.

According to Assistant U.S. Attorney Gayle L. Helart, who is prosecuting the case for the government, U.S. District Judge Larry J. McKinney also ordered three years of supervised release following her release from prison.

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